

Testimony of Barry Zekelman  
Executive Chairman and Chief Executive Officer  
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Section 232 Investigation on Steel

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Thank you very much Secretary Ross. My name is Barry Zekelman and I am the CEO and Executive Chairman of Zekelman Industries. I appreciate the opportunity to appear here today on behalf of my company and our employees. Zekelman is the largest pipe and tube producer in North America. We produce over 2 million tons of tubes annually consuming almost 2.2 million tons of domestically produced steel. Our millions of miles of tubing provide the thread that sews the security blanket that covers our great nation.

Tubular products are critical to maintaining a strong defense and essential civilian sectors of the U.S. economy, and is the backbone of our nation's infrastructure. In 2008 we produced 125,000 tons of hollow steel structural tubing used for the border security fence, which protects this country and its citizens from illegal border crossings and illicit drug trafficking. We produce the fire suppression pipe that is routed through our buildings, schools, hospitals, power plants, industrial plants, warehouses, and military bases. We produce the electrical conduit that provides safe passage and routing to all of the wiring in all building we see, especially in our data centers, mission critical military and space centers, power plants, and transportation systems. We make the pipes that carry the water and waste throughout all of our buildings and civil infrastructure. Our military bases, airports, transportation systems, and ports all rely on our pipes. We produce the oil country tubular goods and line pipe that is vital to the exploration and extraction of oil and gas that provide us with energy to run our economic and military machine. Our tube transports fuel and gas to planes, trains and automobiles, to houses and buildings for heat, to fuel power

generating turbines and to support solar panel and wind turbines to propel clean energy use. Our structural tubing is used for the protective posts which you see throughout this city and many others for vehicle barriers. It is used for buildings and agricultural equipment to farm our fields and feed not only the U.S. population, but the rest of the world. Highway signage, guardrails, bridges, electrical distribution towers, cell towers and rail cars are all made with our hollow steel structurals. The foundation of One World Trade is set upon our pilings. Our drawn over mandrel tubing is used for hydraulic cylinders that makes movement in all machinery possible, including mining equipment, construction machinery, transportation, robots and automation. Ask any military man if a hydraulic cylinder is critical to their success. There is not one piece of military equipment that does not have a tube in it, from gun barrels to rocket launchers to helicopters and naval ships, tanks, armored personnel carriers -- the list is infinite. Ask the people of Flint Michigan if water pipes are vital to their security and survival!

In sum, to ask if pipe and tube is vital to our national security is not the right question. The question is really how our country could possibly be secure without it. Our economy and our military would grind to a screeching halt without a vibrant domestic tube industry. We employ tens of thousands of people, providing income levels far superior to the touted minimum wage victories. In addition, our industry consumes over 20 million tons of the flat rolled steel produced in the United States, the largest single category. So if we go out of business, the steel producers are not far behind. Imports have decimated our industry, resulting in the closure of a host of pipe and tube mills and throwing thousands out of work. In the first quarter of this year, imports in all pipe and tube categories exceeded 60 percent of consumption, with some categories reaching 70 percent and higher. It would be the epitome of folly to allow our nation to continue to permit imports to grow, putting U.S. producers out of business, and making our

country vulnerable due to its reliance on foreign producers in China, Korea, Vietnam, Turkey and elsewhere.

My company supports a strong response in the form of a combination of duties and quotas. Trade remedy cases have not addressed the problem of unfairly traded imports and massive foreign overcapacity. Third country dumping is rampant in our industry and a stronger response is essential to ensure the ongoing viability of our industry. We have to break the cycle of dependency on imported pipe and tube, and the only way to do that is by limiting imports to a smaller share of the U.S. market. If we allow our domestic industry to disappear, we will only have only ourselves to blame for placing our country in an extremely vulnerable position. We have the best and most efficient steel producers in the world. We should make it here, and put America first.